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**Date:** 1/20/2012

**GAIN Report Number:** MX2004

## Mexico

**Post:** Mexico

### Mexico Publishes Preliminary Determination on U.S. CLQs

**Report Categories:**

Poultry and Products

Agriculture in the Economy

Agriculture in the News

Policy and Program Announcements

Trade Policy Incident Report

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**Report Highlights:**

On January 19, 2012, the Secretariat of Economy (SE) announced in the *Diario Oficial* (Mexico's Federal Register) its [preliminary determination](#) to the anti-dumping investigation of U.S. fresh, chilled or frozen chicken leg-quarters (CLQs). As this point, SE has not imposed any compensatory duties on U.S. fresh, chilled or frozen CLQs exported to Mexico and parties have 30 working days to supply additional information.

## **General Information:**

### **Disclaimer**

This summary is based on a  *cursory*  review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the resolution in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete resolution or announcement as published in Spanish, the latter shall prevail.

**Title of Notice:** “Preliminary resolution to the antidumping investigation on imports of CLQs, merchandise classified in tariff codes 0207.13.03 and 0207.14.04 of the General Import Tax Law, originating from the United States of America, independent of their country of origin.”

**Type of Resolution:** Preliminary determination on antidumping claims.

### **Important Dates**

1. Publication Date: January 19, 2012
2. Effective Date: January 20, 2012
3. Interested parties may provide supplementary documentation within 30 working days from the date of this publication (i.e., materials should be submitted on or before March 1, 2012).

**Products Affected:** CLQs (fresh, chilled or frozen) as classified under tariff codes 0207.13.03 (legs, thighs or legs joined to the thigh, fresh or chilled) and 0207.14.04 (legs, thighs or legs joined to the thigh, frozen). These U.S. chicken products enter Mexico under the following commercial product names: leg quarter, thigh and drumstick, chicken quarters, chicken leg, chicken thigh, chicken thigh with back portion, back quarters, drumsticks skinless boneless, thighs skinless boneless, thighs skin up, boneless skinless thigh meat, legs whole, black [*sic*] meat and rear meat.

**Agency in Charge:** International Commercial Practices Unit (UPCI), SE

**Notice Summary:** SE published on January 19, 2012, a notice in the *Dario Oficial* announcing the preliminary determination of its anti-dumping investigation on U.S. CLQs (HTC # 0207.13.03 and 0207.14.04) exported to Mexico. The investigation was conducted in response to a petition submitted, on July 2, 2010, to UPCI by Bachoco, S.A. de C.V. (“Bachoco”), Productos Agropecuarios de Tehuacán, S.A. de C.V. (Patsa) and Buenaventura Grupo Pecuario, S.A. de C.V. (“Buenaventura”). On February 8, 2011, SE published its resolution to accept the petition and initiate the investigation into antidumping claims. (See [MX1009](#)).

### **Key Points of the Notification:**

As indicated in the conclusions chapter of the document, UPCI considers that there was sufficient evidence to indicate that U.S. CLQs imports into Mexico were made under dumping conditions. Moreover, as U.S. CLQs significantly increased in domestic market share, they displaced domestic production and endangered the domestic production of CLQs. SE announced that the investigation procedure into unfair trading practices and price discrimination will continue without imposing any provisional compensatory duties as the parties have declared their interest in a conciliatory process.

Also, SE announced the price discrimination margins for producer/exporter business are as follows:

- Tyson Foods                    129.77%
- Simmons                        62.90%
- Sanderson                      83.84%

SE did not gather sufficient information in order to calculate the specific dumping margin for the following trading/exporter businesses:

- Larroc;
- Viz Cattle;
- Delato;
- Interra International;
- AJC International;
- O.K. Foods;
- Robinson & Harrison;
- Nothern Beef;
- Zahava Group;
- Frontier Foods;
- United Products;
- McKenna Brothers;
- J.E.T. Wholesale;
- Fiesta Trade;
- George's, Inc.;
- Cervantes Distributors;
- Raymond J. Adams;
- Perdue Farms;
- Eastern Poultry Distributors; and,
- Amick Farms

Other exporting businesses will be applied the same residual price discrimination margin of 129.77%

SE is encouraging interested parties to submit arguments and supplementary information within the next 30 business days.

**FAS Mexico comment:** It is expected that at the end of the 30 business day period SE-UPCI will gather sufficient information to submit a final resolution. In the meantime, the conciliatory process that both parties are pursuing will continue parallel to the SE-UPCI

#### **Author Defined:**

#### **For More Information**

FAS/Mexico Web Site: We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

**FAS/Mexico YouTube Channel:** Catch the latest videos of FAS Mexico at work

<http://www.youtube.com/user/ATOMexicoCity>

**Other Relevant Reports Submitted by FAS/Mexico:**

Report Number	Subject	Date Submitted
MX1009	Mexico Initiates an Antidumping Investigation on U.S. CLQs	2/8/2011

**Useful Mexican Web Sites:** Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx), equivalent to the U.S. Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx) and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at [www.salud.gob.mx](http://www.salud.gob.mx). These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.